GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Centrally Sponsored Scheme - Setting up of Electronic Manufacturing Cluster under the name "YSR Electronic Manufacturing Cluster" (YSR EMC) at Kopparthy, YSR Kadapa District under the Modified Electronics Manufacturing Clusters (EMC-2.0) Scheme notified by Ministry of Electronics and Information Technology (MeitY), Government of India, and Special package of Incentives for EMC, Kopparthy - Approval accorded - Orders - Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 44 Dated: 26-08-2020.

ORDER:

Electronics sector is the fastest-growing sector in the World. At present, about 95 percent of India's electronic components requirements and 60 percent of domestic demand for electronic products is being met through imports. Government of India is making all efforts, to make India as Global Hub for the production of Electronics Systems Design and Manufacturing (ESDM), electronic products, and components, to reduce import dependence.

2. In order to attract investments from domestic and major global electronics manufacturers along with their supply chain to set up units in Electronic System Design and Manufacturing (ESDM) sector in the country, as envisaged under "Digital India" and "Make in India" initiatives, Government of India notified Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme vide Gazette Notification No.CG-DL-E-01042020-218991, dated April 01, 2020 by providing 50% of the project cost subject to a ceiling of Rs.70 Crore for every 100 Acres of land for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities. However, for EMC Project to be sanctioned by the Government of India there should be a commitment from Anchor Unit(s) or industry for purchasing minimum 20% of the saleable/leasable land area in the proposed EMC project for setting up electronics manufacturing facility in the EMC and will give a commitment of an investment of Rs.300 Crore or above.

3. Government of Andhra Pradesh, in order to create employment opportunity in the backward regimes propose to develop an Electronic Manufacturing Cluster at Kopparthy, YSR Kadapa District named as "YSR EMC", in line with the modified Electronics Manufacturing Clusters (EMC 2.0) Scheme of Government of India, to catalyze the economic growth of the region by attracting investments in the ESDM sector verticals like Automotive electronics, Industrial electronics, Consumer electronics, Medical electronics, Computer Hardware, Telecom Networking & Communications, E-mobility products/components etc.

4. Total estimated cost of the project is Rs.730.50 Crore. The proposed EMC is expected to bring in an investment of Rs.10,000 Crore and generate employment approximately to 1,00,000 people.

5. The entire land is under the possession of APIIC and the YSR EMC will be developed and operated by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC).

6. Taking into account the above aspects, the following measures are required, to take forward the proposal and attract Global Anchor and other Electronic Industries into the cluster and to create a Comprehensive Supply Chain/Ecosystem for strengthening Electronics Manufacturing base in Kopparthy, YSR Kadapa District.

a. In-principle approval for development of Electronic Manufacturing Cluster in the name of YSR EMC at Kopparthy, YSR Kadapa District in line with EMC-2.0 Scheme notified by Ministry of Electronics and Information Technology (MeitY), Government of India.

b. Sanction a grant of Rs.380.50 Crore from out of the total project cost of Rs.730.50 Crore, as Government of India provides 50% of the project cost limited to R.350.00 Crore as grant, under EMC-2.0 Scheme.

c. Approval of Special package of incentives for EMC, Kopparthy to attract Anchor and other Electronic Industries into the cluster.

(P.T.O.)

7. Government, after careful examination hereby accord approval to undertake and setting up of Electronic Manufacturing Cluster in the name of YSR EMC at Kopparthy, YSR Kadapa District and submit application to Government of India for approvals under the EMC-2.0 Scheme notified by Ministry of Electronics and Information Technology (MeitY), Government of India.

8. Further, an amount of Rs.380.50 Crore is sanctioned from out of the total project cost of Rs.730.50 Crore as GoAP share, as GoI provides 50% of the project cost limited to R.350.00 Crore as grant, under EMC-2.0 Scheme.

9. In order to make the YSR EMC at Kopparthy, YSR Kadapa District as an attractive destination for the Global and Domestic Electronic Industries to set-up their bases, Government approved the following Special package of incentives exclusively for YSR EMC, Kopparthy.

I. Non-Fiscal Incentives

a. All Green Category Electronic industries in this Electronics Manufacturing Cluster would be exempt from inspections under the following Acts and the Rules framed there under, barring inspections arising out of specific complaints. In respect of Orange and Red Category Electronic Industries, Annual Joint Inspections are mandatory:

- The Factories Act, 1948.
- The Maternity Benefit Act, 1961.
- The AP Shops & Establishments Act, 1988.
- The Contract Labour (Regulations & Abolition) Act, 1970.
- The Payment of Wages Act, 1936.
- The Minimum Wages Act, 1948.
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

b. The Electronics industries/ Electronics Manufacturing Clusters are permitted to file self-certifications, in the prescribed formats.
c. General permission shall be available for 3-shift operations with women working in the night, subject to the Electronics industries taking the prescribed precautions in respect of safety and security of employees.
d. Electronics industries/ Electronics Manufacturing Clusters are declared as essential services under AP Essential Services Maintenance Act.
e. All industries established in Electronics Manufacturing Clusters shall be eligible for industrial tariff towards their power consumption.
f. Comprehensive Single Desk portal to handle all project applications, permissions within time-bound manner.
g. All land allotments and incentive approvals online within the framework of policy
h. Electronics Manufacturing Clusters to have all critical infrastructure till the boundary of the site.
i. Dedicated project teams will provide internal infrastructure in land sites within 60 days from the purchase of land.
j. FSI norms would be relaxed within Electronics Manufacturing Clusters, subject to payment of prescribed premium.

II. Fiscal Incentives

1. Land Allotment - APIIC will provide land and Ready Built Factory units to suit to the customer requirements, on lease basis, duly reducing their upfront costs for a period of 33 years, which is extendable up to 99 years with an option to buy the land after 10 years of successful operation.

2. Stamp Duty - Reimbursement of 100% Stamp Duty, Transfer Duty, and Registration Fee paid on sale/lease deeds on the first transaction, and 50% thereof on the second transaction.

3. Power cost reimbursement:
   - 24X7 uninterrupted power supply.
   - Power will be provided at competitive rates of Rs.4.00-4.50 per unit for the units established in EMC, Kopparthy.

4. Investment Subsidy:

- 20% of Fixed Capital Investment (FCI) up to INR 50.00 Crore for the mega anchor industries in new Electronics Manufacturing Cluster.
- 20% of Fixed Capital Investment (FCI) up to INR 10.00 Crore for other Electronic Manufacturing Industries, whichever is less.

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5. Interest Subsidy – To provide Interest Subsidy @ 5.0% up to Rs.1.50 Crore per year for a period of 5 years.

6. SGST:

- 100% Net SGST tax reimbursement for a period of 8 years, without cap for mobile Manufacturing.
- 100% Net SGST reimbursement for a period of 8 years, limited to Fixed Capital Investment (FCI) whichever is earlier for other Electronic Industries.

7. Logistic Support – Logistic subsidy of 25% of cost incurred on domestic transports and a sum of Rs.50 Lakh per annum subsidy on Logistics for 5 years.

III. Mega Status – Mega project status to Mobile and Electronics (as defined in MSIPS policy of Government of India) manufacturing companies with an investment of Rs.250 Crore or employment of 2,000 persons.

10. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., and the Director of Industries shall take all necessary follow up action for taking forward proposal under the Scheme for its proper implementation.

11. This order issued with the concurrence of Finance (FMU.I&C, I&I, Energy) Department vide their U.O.No.FMU0PC(IC)/2/2020-AS-9 (C.No.1210130), dt.18.08.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., APIIC Tower, 9th to 11th Floors, Plot No.CFC-1, IT Park, Mangalagiri, Guntur District, A.P. - 522 503.
The Director of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.

Copy to:
The Ministry of Ministry of Electronics and Information Technology, Government of India for favour of information.
The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.123/2020, dt.21.08.2020.)
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER